

## REMARKS

The present application was filed on January 27, 1999 with claims 1-20. Claims 1-20 remain pending in the present application. Claims 1, 10, 19 and 20 are the independent claims.

In the Office Action, the Examiner rejected claims 1-5, 7-14 and 16-20 under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 5,956,674 (hereinafter "Smyth"), and rejected claims 6 and 15 under 35 U.S.C. §103(a) as being unpatentable over Smyth in view of allegedly well known prior art.

In this response, Applicants amend the specification to update related application information and to correct minor errors of a typographical nature, and amend claims 1, 4, 10, 13, 19 and 20. Applicants respectfully request reconsideration of the present application in view of the above amendments and the following remarks.

Applicants have amended independent claims 1, 10, 19 and 20 to clarify the subject matter which Applicants regard as the invention. More specifically, Applicants have amended each of these claims to specify that the claimed plurality of programs comprises separate and independent information signals not derived from a common signal source, and that a given one of the programs thereby comprises an associated information signal that is unrelated to information signals associated with the one or more other programs. Support for the amendments can be found in the specification at, for example, page 6, lines 5-9 and 17-21.

With reference to the illustrative embodiment shown in FIG. 1 of the drawings, the audio programs Audio 1, Audio 2, . . . Audio N represent separate and independent audio programs, each subject to individual PAC encoding in a corresponding PAC encoder of encoder bank 12. A given one of the audio programs may comprise a stereo audio program, as indicated on page 6, line 8 of the specification. A stereo audio program may include both a center channel and one or more side channels, such as a left channel and a right channel, as indicated on page 1, lines 25-27 of the specification.

In contrast to the claimed arrangements, the Smyth reference discloses adaptive bit allocation as applied to a single stereo audio program. At column 6, lines 57-61, Smyth indicates that the channels of the encoder 12 in FIG. 2 correspond to "left front, center, right front, left rear and right rear." These are the various components of a single stereo audio program. The multi-channel PCM

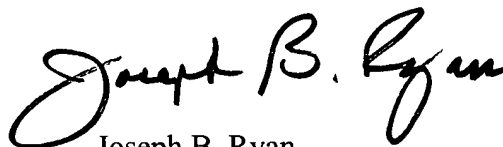
audio data 14 that is input to encoder 12 is thus derived from a single common signal source, namely, a common audio signal for which the various stereo components are generated. Each of the channels is therefore related to each of the other channels, as these channels correspond to components of a single stereo audio program.

It is therefore believed that the independent claims as amended distinguish the single stereo audio program arrangements described in Smyth.

Dependent claims 2-9 and 11-18 are believed allowable at least by virtue of their dependence from their respective independent claims. These claims are also believed to define additional separately-patentable subject matter relative to Smyth and the other art of record, taken singly or in combination.

In view of the above, Applicants believe that claims 1-20 as amended are in condition for allowance, and respectfully request withdrawal of the §102(e) and §103(a) rejections.

Respectfully submitted,

A handwritten signature in black ink, reading "Joseph B. Ryan". The signature is fluid and cursive, with the first name "Joseph" and last name "Ryan" clearly legible.

Date: August 28, 2003

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